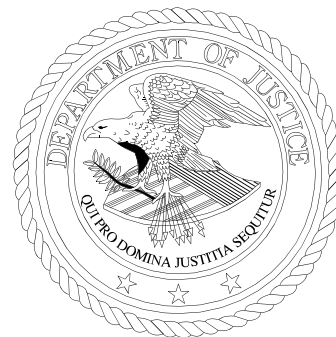


NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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Christopher J. Christie, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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FOR IMMEDIATE RELEASE
April 10, 2006

Owner of Technical Training School Admits
Defrauding Department of Education and Labor

(More)

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NEWARK – The owner of Merit Technical Institute, a technical school formerly located in Newark, pleaded guilty today to a federal fraud charge, admitting that he fraudulently obtained approximately \$392,000 from the U.S. Departments of Education and Labor, U.S. Attorney Christopher J. Christie announced.

Victor Mungai Kamunge, 53, of Newark, pleaded guilty to a one-count Information charging him with embezzling from the United States, according to Assistant U.S. Attorney Donna Gallucio.

U.S. District Judge Katharine S. Hayden scheduled sentencing for July 26. Kamunge faces a maximum penalty of 10 years in prison a \$250,000 fine and an order of restitution.

Kamunge admitted that from October 2001 to October 2003, as the president and owner of Merit Technical Institute, he knowingly applied for and received educational and training benefits of about \$392,000 for students who were unqualified and programs that were ineligible.

The school, former located on Commerce Street in Newark, trains students for jobs in the medical and computer software fields, according to Kamunge. The school received funds from the U.S. Department of Labor job-training program called the Workforce Investment Act, and the funds were distributed through the Newark Mayor's Office of Employment and Training, as well as the Essex County Economic Development Corp.

The school is not located in Jersey City.

Merit also received funds from the U.S. Department of Education's Federal Family Education Program (FFEL).

Kamunge admitted that between October 2001 and October 2003, he submitted or had others submit false student transcripts and attendance records to qualify for Department of Labor funds. In doing so, Kamunge fraudulently received about \$182,700 from the Department of Labor program..

Kamunge also admitted that, during the same period, he fraudulently received approximately \$209,700 in Department of Education FFEL funds on behalf of students who were enrolled in courses that were ineligible for funding. To conceal the fraud, Kamunge admitted that he submitted false documents, including transcripts and attendance reports, to give the false impression that the students were enrolled in eligible programs.

Kamunge remains free on a \$100,000 unsecured bond, pending sentencing.

Under an Information, a defendant waives the right to have his case presented to a federal grand jury and, instead, pleads guilty to charges presented by the government.

In determining an actual sentence, Judge Hayden will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the Department of Education, Office of Inspector General, under the direction of Gary E. Mathison, Special Agent in Charge, Northeast area; and Special Agents of the Department of Labor Office of Inspector General, under the direction of Inspector General Gordon S. Heddell, with developing the case against Kamunge.

The Government is represented by Assistant U.S. Attorney Gallucio, of the U.S. Attorney's Commercial Crimes Unit in Newark.

-end-

Defense Attorney: Paul Brickfield, Esq., River Edge